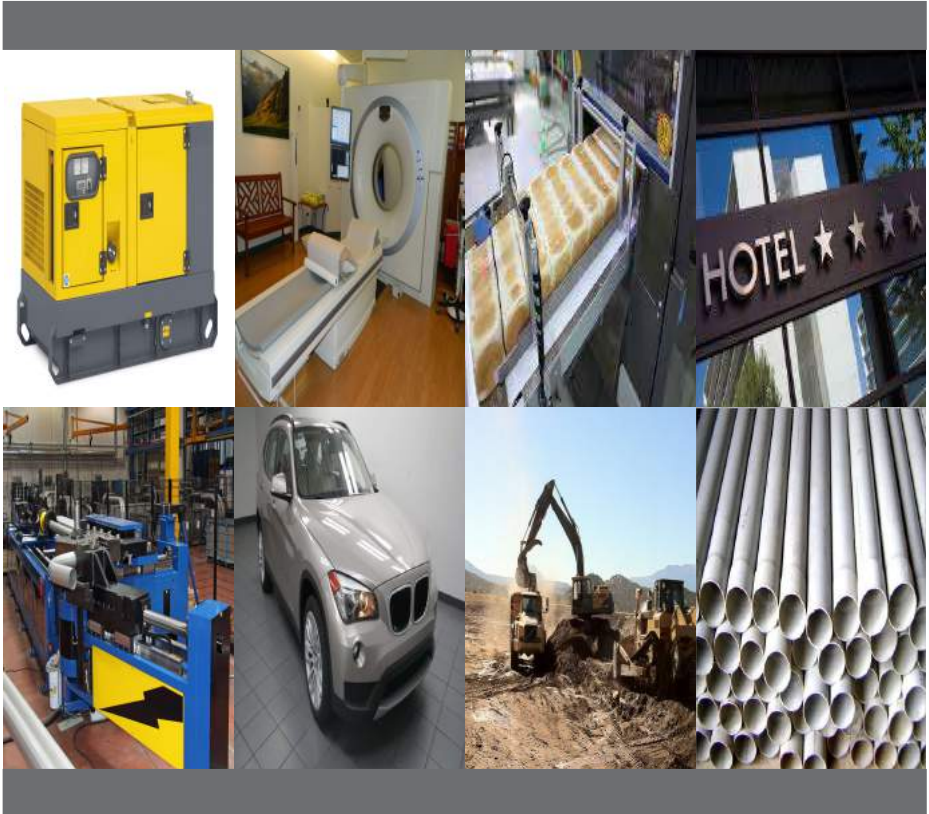
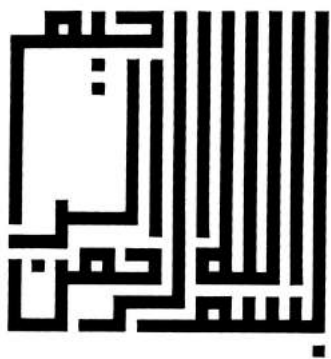




**Condensed Interim
Financial Information
(Un-audited)
For the Half year
ended 31 December 2015**





Board of Directors

Mr. Sohail Inam Ellahi	Chairman
Air Marshal Syed Masood Hatif (Retd)	Vice Chairman
Mr. Pervez Inam	Director
Mr. Fawad Salim Malik	Director
Mr. Shaheed H. Gaylani	Director
Brig. Naveed Nasar Khan (Retd)	Director
Mr. Rizwan Humayun	Director
Lt. Col. Saleem Ahmed Zafar (Retd)	Executive Director
Mr. Mahfuz-ur-Rahman Pasha	Chief Executive Officer

Company Secretary

Ms. Mehreen Usama

Audit Committee

Mr. Rizwan Humayun	Chairman
Air Marshal Syed Masood Hatif (Retd)	Vice Chairman
Brig. Naveed Nasar Khan (Retd)	Member
Mr. Shaheed H. Gaylani	Member

Human Resource and Remuneration Committee

Air Marshal Syed Masood Hatif (Retd)	Chairman
Brig. Naveed Nasar Khan (Retd)	Vice Chairman
Mr. Pervez Inam	Member
Mr. Sohail Inam Ellahi	Member
Lt. Col. Saleem Ahmed Zafar (Retd)	Member

Senior Management

Mr. Mahfuz-ur-Rahman Pasha	Chief Executive Officer
Mr. Khalil Anwer Hassan	Chief Manager
Lt. Col. Saleem Ahmed Zafar (Retd)	Chief Operating Officer
Mr. Afzal-ul-Haque	Deputy COO & Senior Manager Risk
Ms. Mehreen Usama	Chief Financial Officer
Ms. Farah Farooq	Head of Audit
Major Arifullah Lodhi (Retd)	Manager HR & Admin.
Mr. Ayaz Latif	Manager IT

Credit Rating Agency

JCR-VIS Credit Rating Company Limited

Entity Rating

- A- (Single A Minus) for Medium to Long Term
- A-2 (A-Two) for Short Term
- Outlook - Stable

Auditors

M/s. BDO Ebrahim & Co.
Chartered Accountants
2nd Floor, Block C,
Lakson Square Building No. 1
Sarwar Shaheed Road
Karachi-74200

Legal Advisors

M/s. Mohsin Tayebaly & Company
2nd Floor, Dime Centre,
BC-4, Block # 9, Kehkashan, Clifton,
Karachi.
Tel #: (92-21) 3538077, 3571653, 35872690
Fax #: (92-21) 35870240, 35870468

Shariah Advisor

Mufti Muhammad Ibrahim Essa

Bankers

Albaraka Bank (Pakistan) Limited
Askari Commercial Bank Limited
Bank Al-Falah Limited
Bank Al Habib Limited
JS Bank Limited
MCB Bank Limited
National Bank of Pakistan
Silk bank Limited
Soneri Bank Limited

Registered Office

Pak-Gulf Leasing Company Limited
THE FORUM:
Room # 125-127, First Floor,
G-20, Block # 9,
Main Khayaban-e-Jami,
Clifton, P.O.Box # 12215,
Karachi-75600.
Tel #: (92-21) 35820301, 35820956-7
(92-21) 35824401, 35375986-7
Fax #: (92-21) 35820302, 35375985
E-mail: pgl@pakgulfleasing.com
Website: www.pakgulfleasing.com

Share Registrar / Transfer Office

THK Associates (Pvt.) Limited
Ground Floor, State Life Building - 3,
Dr. Ziauddin Ahmed Road, Karachi.
Tel #: (92-21) 111-000-322
Fax #: (92-21) 35655595

Mission Statement

The Company will:

- Aim to gain the confidence of all its stakeholders by earning a credible reputation for being an innovative enterprise that is prepared to change in the best interests of its stakeholders.
- Continually monitor structural changes in the various sectors of the economy, and accordingly alter the Company's business strategy to benefit from the emerging opportunities.
- Focus on changing customer needs and strive to improve tangible and intangible returns to its customers by providing service and satisfaction at par with the best in the industry, which would be reflected in prompt risk evaluation and facility disbursement procedures and practices.
- Consciously share, and remain part of all initiatives by the leasing industry to play a positive role in the evolution of small and medium size enterprises to expand the country's industrial base and support economic growth, higher employment and a better future for all.

Dear Shareholders,

The Directors of your Company are pleased to present, before you, the Financial Statements of your Company for the half year of the current financial year, ended December 31, 2015. They are equally pleased to share with you the fact that despite the challenging economic conditions prevailing in the country, the overall performance of your Company remained highly satisfactory during this period. Moreover, even in the face of the tough competition offered by commercial banks and NBFIs sponsored by banks, having access to cheaper funds, and increased cost of doing business, your Company has been able to maintain its profitability. Room for improving upon our achievements is always there, and your directors being conscious of their responsibilities are determined to ensure that better results are obtained in future.

Your Company achieved a Total Revenue of Rs. 60.5 million, for the half year ended on December 31, 2015. This reflects an increase of 0.77%, over the Total Revenue of Rs. 60.04 million posted, in the first half of the Financial Year 2014-15. With reference to expenses incurred during the half year there was an inflation-based increase in operating expenses and a rise in Finance Cost, as compared to the corresponding figures for the half year ended December 31, 2015. Further during the half year ended December 31, 2015 the Company had to charge provision of Rs. 10.76 million for non-performing lease clients. Due to the charge of provision for potential lease losses and increase in administrative expenses and financial cost, the Company's Profit before Taxation for the half year ended December 31, 2015 has decreased to Rs. 5.71 million, when compared with the Profit before Taxation of Rs. 27.19 million, earned in the corresponding period of the previous year. Net Profit after Tax for the half year ended December 31, 2015, amounted to Rs.4.39 million as compared to Rs. 23.79 million, for the corresponding period of the last Financial Year 2014-15.

The Shareholders Equity of your Company has risen to Rs. 507.137 million, as at December 31, 2015 while Earnings per Share for the half year ended December 31, 2015 stands at Rs. 0.17 per share.

In November 2015, JCR-VIS Credit Rating Company Limited has re-affirmed the Medium to Long-term Entity Rating of your Company at A- (Single A Minus), and the Short-term Rating at A-2 (A-Two) and has graded the Outlook of your Company as "Stable".

Your Directors, in their capacity as your representatives for overseeing the performance of your Company, would like to place on record their appreciation for the services rendered and the dedicated efforts made by the Management Team and indeed by all staff members of your Company, towards obtaining the positive results placed before you, notwithstanding the testing market conditions. We expect the management and staff of PGL, not only to maintain, but enhance their positive stance and make every effort towards improving upon the quality of their services to your Company's clients and the image of your Company in the financial services sector of Pakistan.

The Directors acknowledge, with thanks, the co-operation and guidance extended to your Company by the Securities and Exchange Commission of Pakistan (SECP), Pakistan Institute of Corporate Governance (PICG) and other regulatory authorities. Their role is critical in developing the financial services sector and it is hoped that these agencies would continue to strengthen this sector, by taking appropriate measures for its betterment.

In the end, we would like to thank you, our valued Shareholders, as well as PGL's customers and bankers, for the valuable support given by them to PGL. We look forward to reinforcing and building further a mutually beneficial and cordial relationship between PGL and all its stakeholders.

Chairman

Chief Executive Officer

Karachi, 23 February 2016

Auditor's Review Report

First Half 2015-16

INDEPENDENT AUDITOR'S REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION TO THE MEMBERS

Introduction

We have reviewed the accompanying condensed interim balance sheet of Pak-Gulf Leasing Company Limited ("the Company") as at December 31, 2015 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim statement of cash flows, condensed interim statement of changes in equity and notes to the accounts for the half year then ended (here-in-after referred as the "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information as at and for the half year ended December 31, 2015 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

The figures for the quarters ended December 31, 2015 and December 31, 2014 in the condensed interim profit and loss account and condensed interim statement of comprehensive income have not been reviewed and we do not express a conclusion on them.

23 February 2016

KARACHI

DATED: 23 FEB 2016



CHARTERED ACCOUNTANTS
Engagement Partner: Zulfikar Ali Causer

**CONDENSED INTERIM
BALANCE SHEET
AS AT 31 DECEMBER 2015**

	Note	(Un-audited) 31 December 2015	(Audited) 30 June 2015
ASSETS			
----- Rupees -----			
Current Assets			
Cash and bank balances	6	24,991,443	43,753,913
Short term investments	7	10,652,278	3,461,625
Other receivables - net	8	1,276,405	1,328,723
Advances to employees		197,941	78,304
Accrued mark-up / return on investments		1,310,191	1,229,408
Prepayments		964,415	527,043
Current portion of net investment in finance lease	9	423,863,337	438,608,838
Taxation - net		-	8,734,754
Total current assets		463,256,010	497,722,608
Non-current assets			
Net investment in finance lease	9	771,718,640	850,949,630
Long term investments - held to maturity	10	27,215,270	24,744,411
Long term deposits		300,460	109,500
Property, plant and equipment	11	144,557,904	125,763,680
Intangible assets		1,664,920	1,468,082
Total non-current assets		945,457,194	1,003,035,303
Total assets		1,408,713,204	1,500,757,911
LIABILITIES			
Current liabilities			
Trade and other payables		9,356,312	9,170,873
Accrued mark-up		11,731,227	4,161,639
Taxation - net		28,189,303	-
Certificates of investment - unsecured	12	228,811,794	156,466,231
Short term borrowings - secured	13	43,984,127	192,856,269
Short term loan from a related party - unsecured		-	40,000,000
Current portion of advance rental against Ijarah financing		7,089,400	3,337,816
Current portion of long term deposits		61,511,406	60,658,383
Total current liabilities		390,673,569	466,651,211
Non-current liabilities			
Long term deposits		353,105,023	345,791,150
Advance rental against Ijarah financing		14,231,813	7,222,006
Deferred taxation - net		98,276,701	133,643,212
Total non-current liabilities		465,613,537	486,656,368
Total liabilities		856,287,106	953,307,579
NET ASSETS		552,426,098	547,450,332
FINANCED BY			
Authorised share capital 50,000,000 ordinary shares (June 2015: 50,000,000 ordinary shares) of Rs. 10 each		500,000,000	500,000,000
Issued, subscribed and paid up capital	14	253,698,000	253,698,000
Reserves		255,104,258	249,535,302
		508,802,258	503,233,302
Surplus on revaluation of available-for-sale investments		2,239,732	2,267,425
		511,041,990	505,500,727
Surplus on revaluation of property, plant and equipment-net of tax		41,384,108	41,949,605
		552,426,098	547,450,332
Contingencies & Commitments	15		

The annexed notes 1 to 22 form an integral part of this condensed interim financial information.

Chief Executive Officer

Director

**CONDENSED INTERIM
PROFIT AND LOSS ACCOUNT
(UN-AUDITED)
FOR HALF YEAR AND QUARTER
ENDED 31 DECEMBER 2015**

	Note	Half year ended		Quarter ended	
		31 December		31 December	
		2015	2014	2015	2014
		Rupees			
INCOME					
Income from leasing operations	16	60,498,223	60,036,879	24,948,339	29,481,641
OTHER OPERATING INCOME					
Profit on bank accounts / return on investments		2,433,129	1,974,393	1,429,140	852,605
Other income		1,240,882	7,412	1,237,231	2,281
		<u>3,674,011</u>	<u>1,981,805</u>	<u>2,666,371</u>	<u>854,886</u>
OPERATING EXPENSES					
Administrative and operating expenses	17	32,354,770	22,784,925	16,247,536	12,046,695
Finance cost	18	15,353,099	12,092,440	7,346,760	5,315,052
		<u>47,707,869</u>	<u>34,877,365</u>	<u>23,594,296</u>	<u>17,361,747</u>
Operating profit before provision		<u>16,464,365</u>	27,141,319	<u>4,020,414</u>	12,974,780
(Provision) / reversal of potential lease losses		(10,755,329)	52,620	(10,755,329)	52,620
Profit / (loss) before taxation		<u>5,709,036</u>	27,193,939	<u>(6,734,915)</u>	13,027,400
Taxation - current		(36,072,089)	(21,466,078)	(27,560,988)	(17,236,571)
- deferred		34,749,606	18,057,205	29,071,981	17,935,969
		<u>(1,322,483)</u>	<u>(3,408,873)</u>	<u>1,510,993</u>	<u>699,398</u>
Profit / (loss) after taxation		<u>4,386,553</u>	<u>23,785,066</u>	<u>(5,223,922)</u>	<u>13,726,798</u>
Earning / (loss) per share - basic & diluted		<u>0.17</u>	<u>0.94</u>	<u>(0.21)</u>	<u>0.54</u>

The annexed notes 1 to 22 form an integral part of this condensed interim financial information.

Chief Executive Officer

Director



**CONDENSED INTERIM
STATEMENT OF COMPREHENSIVE
INCOME (UN-AUDITED)
FOR THE HALF YEAR AND QUARTER
ENDED 31 DECEMBER 2015**

	<u>Half year ended</u>		<u>Quarter ended</u>	
	<u>31 December</u>		<u>31 December</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
	Rupees			
Profit / (loss) after taxation	4,386,553	23,785,066	(5,223,922)	13,726,798
Other Comprehensive Income				
<i>Items that may be reclassified subsequently to profit and loss account</i>				
Unrealised (loss) / gain on revaluation of available- for-sale investment	(27,693)	512,592	187,335	403,449
Total Comprehensive income / (loss) for the period	4,358,860	24,297,658	(5,036,587)	14,130,247

The annexed notes 1 to 22 form an integral part of this condensed interim financial information.

Chief Executive Officer

Director



**CONDENSED INTERIM
CASH FLOW STATEMENT
(UN-AUDITED)
FOR THE HALF YEAR
ENDED 31 DECEMBER 2015**

Note	Half year ended	
	31 December	
	2015	2014
	----- Rupees -----	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	5,709,036	27,193,939
Adjustments for :		
- Depreciation	15,410,866	7,174,628
- Amortisation of discount / premium on long term investments - net	13,041	61,234
- Amortisation of intangible asset	74,901	74,901
- Finance cost	15,353,099	12,092,440
- Gain on disposal of fixed assets	(1,234,142)	-
- Provision / (reversal) of potential lease losses	10,755,329	(52,620)
	<u>40,373,094</u>	<u>19,350,583</u>
Operating profit before working capital charges	46,082,130	46,544,522
Movements in working capital		
(Increase) / Decrease in current assets		
- Other receivables - net	52,318	4,385,763
- Advances to employees	(119,637)	6,088
- Accrued mark-up / return on investments	(80,783)	(61,486)
- Long term deposits	(3,000)	-
- Prepayments	(437,372)	(178,777)
	<u>(588,474)</u>	<u>4,151,588</u>
Increase in current liabilities		
Trade and other payables	185,439	2,213,978
Cash generated from operations	45,679,095	52,910,088
Finance cost paid	(7,783,511)	(6,354,793)
Taxes paid - net	851,968	(482,738)
Deposits received from / (paid to) lessees - net	8,166,896	(9,186,773)
Advance rental (Ijarah) received from lessees	10,761,391	878,559
Decrease in net investment in finance lease	83,221,162	79,659,683
	<u>95,217,906</u>	<u>64,513,938</u>
Net cash flow generated from operating activities	140,897,001	117,424,026
CASH FLOW FROM INVESTING ACTIVITIES		
Additions in property, plant and equipment	(34,730,847)	(9,662,450)
Additions in intangible assets	(271,739)	-
Proceeds from disposal of operating fixed assets	1,759,900	-
Short term investments-net	(7,218,346)	-
Long term investments-net	(2,483,900)	-
Net cash flow used in investing activities	(42,944,932)	(9,662,450)
CASH FLOW FROM FINANCING ACTIVITIES		
Receipt from / (payment against) issue of certificate of investments - net	72,345,563	(6,234,466)
Deposit on Ijarah finance facility obtained	(187,960)	-
Repayment of short term loan from related party - net	(40,000,000)	(22,000,000)
Net cash flow generated from / (used in) financing activities	32,157,603	(28,234,466)
Net increase in cash and cash equivalents	130,109,672	79,527,110
Cash and cash equivalents at beginning of the period	(149,102,356)	(81,188,198)
Cash and cash equivalents at the end of the period	(18,992,684)	(1,661,088)

The annexed notes 1 to 22 form an integral part of this condensed interim financial information.

Chief Executive Officer

Director



**CONDENSED INTERIM STATEMENT
OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR
ENDED 31 DECEMBER 2015**

	Issued, subscribed and paid up Capital	Reserves		Unappropri- ated profit	Sub Total	Surplus / (Deficit) on revaluation of available-for- sale investments	Total equity
		Capital	Revenue				
	Statutory reserve	Reserve for issue of bonus shares					
	Rupees						
Balance as at 1 July 2014	253,698,000	51,546,096	4,402,000	140,971,690	196,919,786	1,878,637	452,496,423
<i>Total comprehensive income for the period ended 31 Dec. 2014</i>							
Profit after taxation	-	-	-	23,785,066	23,785,066	-	23,785,066
<i>Other comprehensive income</i>							
Surplus on revaluation of available-for-sale investment	-	-	-	-	-	512,592	512,592
Transfer from surplus on revaluation of property, plant and equipment to unappropriated profit - net of deferred tax	-	-	-	23,785,066	23,785,066	512,592	24,297,658
Transfer to statutory reserve	-	-	-	1,113,858	1,113,858	-	1,113,858
Transfer to statutory reserve	-	4,757,013	-	(4,757,013)	-	-	-
Balance as at 31 Dec. 2014	253,698,000	56,303,109	4,402,000	161,113,601	221,818,710	2,391,229	477,907,939
<i>Balance as at 1 July 2015</i>	253,698,000	61,603,092	4,402,000	183,530,210	249,535,302	2,267,425	505,500,727
<i>Total comprehensive income for the period ended 31 Dec. 2015</i>							
Profit after taxation	-	-	-	4,386,553	4,386,553	-	4,386,553
<i>Other comprehensive income</i>							
(Deficit) on revaluation of available-for-sale- investment	-	-	-	-	-	(27,693)	(27,693)
Transfer from surplus on revaluation of property, plant and equipment to unappropriated profit - net of deferred tax	-	-	-	4,386,553	4,386,553	(27,693)	4,358,860
Transfer from surplus on revaluation of property, plant and equipment to unappropriated profit - net of deferred tax	-	-	-	1,182,403	1,182,403	-	1,182,403
Transfer to statutory reserve	-	877,311	-	(877,311)	-	-	-
Balance as at 31 Dec. 2015	253,698,000	62,480,403	4,402,000	188,221,855	255,104,258	2,239,732	511,041,990

The annexed notes 1 to 22 form an integral part of this condensed interim financial information.

Chief Executive Officer

Director



1. STATUS AND NATURE OF BUSINESS

- 1.1 Pak-Gulf Leasing Company Limited ("the Company") was incorporated in Pakistan on 27 December 1994 and commenced its operations on 16 September 1996. The Company is principally engaged in the business of leasing and is listed on all three Stock Exchanges of Pakistan. The registered office of the Company is situated at the Forum, Rooms 125-127, First Floor, Main Khayaban-e-Jami, Block - 9, Clifton, Karachi.
- 1.2 Regulation 4 of Non-Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations) vide SRO1002(I)/2015 dated 15 October 2015, requires an existing deposit taking leasing company to maintain, at all times, minimum equity of Rs. 500 million by 25 November 2016. The Equity of the Company as at 31 December 2015, in accordance with the amendments in NBFC (Establishment and Regulation) Rules, 2003 notified vide SRO 1002(I)/2015 dated 15 October 2015, stands at Rs. 507.137 million which is Rs. 7.137 million in excess of the currently applicable minimum capital requirement.

2. BASIS OF PREPARATION

2.1 Statement of compliance

This condensed interim financial information of the Company for the half year ended 31 December 2015 has been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting, Islamic Financial Accounting Standard - 2 Ijarah (IFAS-2) issued by the Institute of Chartered Accountants of Pakistan (ICAP) and provisions of and directives issued under the Companies Ordinance, 1984, Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations). In case where requirements differ, the provision or directives issued under the Companies Ordinance, 1984, NBFC Rules and NBFC Regulations shall prevail.

- 2.2 The disclosures in this condensed interim financial information are presented in accordance with International Accounting Standard 34 "Interim Financial Reporting" and do not contain all the information required for full annual financial statements. Consequently, this condensed interim financial information should be read in conjunction with the financial statements of the Company for the year ended June 30, 2015.

- 2.3 The comparative balance sheet presented in this condensed interim financial information as at 31 December 2015 has been extracted from the audited financial statements of the Company for the year ended 30 June 2015, whereas the comparative profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity have been extracted from the condensed interim financial information for the period ended 31 December 2014. Further, the figures in the condensed interim financial information for the three months period ended 31 December 2014 and 31 December 2015 have not been reviewed by the auditors.

- 2.4 This condensed interim financial information has been presented in Pakistani Rupees, which is the functional currency of the Company. The figures are rounded off to the nearest rupee.

2.5 Basis of measurement

This condensed interim financial information has been prepared under the historical cost convention, except that certain operating fixed assets are stated at revalued amount and investments classified as 'available-for-sale' are marked to market and carried at fair value.

This condensed interim financial information has been prepared following accrual basis of accounting except for cash flow information.

3. ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of this condensed interim financial information are the same as those applied in preparation of the financial statements of the Company as at and for the year ended 30 June 2015.

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of condensed interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. However, actual results may differ from these estimates.

The significant judgments made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements of the Company for the year ended 30 June 2015.

5. FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements of the Company for the year ended 30 June 2015.

6. CASH AND BANK BALANCES

	Note	(Un-audited) 31 December 2015	(Audited) 30 June 2015
		(Rupees)	
Cash in hand		28,870	17,082
Cash at banks:			
- in current accounts		11,956,097	38,733,438
- in saving accounts	6.1	<u>13,006,476</u>	<u>5,003,393</u>
		<u>24,991,443</u>	<u>43,753,913</u>

6.1 Return on these savings accounts is earned at rates ranging from 5% to 6.25% (30 June 2015: 5% to 6.25%) per annum.

7. SHORT TERM INVESTMENTS

Available-for-sale

Cost			
54,300 units of National Investment Trust (30 June 2015 : 54,300 units)		1,194,200	1,194,200
Revaluation Surplus			
Opening		2,267,425	1,878,637
(Deficit) / surplus for the period / year		<u>(27,693)</u>	<u>388,788</u>
		<u>2,239,732</u>	<u>2,267,425</u>
<i>Held to maturity</i>		3,433,932	3,461,625
Government Securities			
Market Treasury Bills		7,218,346	-
		<u>10,652,278</u>	<u>3,461,625</u>

	Note	(Un-audited) 31 December 2015	(Audited) 30 June 2015
8. OTHER RECEIVABLES-NET			
		(Rupees)	
Lease receivables held under litigation	8.1	28,581,952	28,581,952
Insurance premium receivable and other receivable	8.2 & 8.3	<u>2,454,242</u>	<u>2,506,560</u>
		<u>31,036,194</u>	<u>31,088,512</u>
Provision against lease receivables held under litigation		(25,600,250)	(25,600,250)
Mark-up held in suspense against lease receivables under litigation		(2,728,847)	(2,728,847)
Provision against insurance premium and other receivable		<u>(1,430,692)</u>	<u>(1,430,692)</u>
		<u>1,276,405</u>	<u>1,328,723</u>
8.1	This represents net investment in finance lease for cases terminated by the Company and where litigation has commenced.		
8.2	This represents insurance premium receivable from lessees for leased assets insured on their behalf by the Company. These amounts will be recovered either during the lease period or on termination / maturity of the lease contract.		
8.3	This includes Rs. 247,500 (June 30, 2015: Rs. 242,925) receivable from an associated company in respect of expenses incurred on its behalf.		
		(Un-audited) 31 December 2015	(Audited) 30 June 2015
9. NET INVESTMENT IN FINANCE LEASE			
		(Rupees)	
Net investment in finance lease		1,195,581,977	1,289,558,468
Current portion shown under current assets		<u>(423,863,337)</u>	<u>(438,608,838)</u>
		<u>771,718,640</u>	<u>850,949,630</u>



	(Un-audited)			(Audited)		
	31 December 2015			30 June 2015		
	Not later than one year	Later than one year and less than five years	Total	Not later than one year	Later than one year and less than five years	Total
Minimum lease payments	463,476,451	467,682,298	931,264	472,311,495	572,631,137	1,296,445
Add: Residual value of leased assets (9.1)	61,511,406	352,046,098	1,058,925	60,658,383	344,732,225	1,058,925
Gross investment in finance leases	524,987,857	819,728,396	1,990,189	532,969,878	917,363,362	2,355,370
Unearned lease income	(80,042,110)	(49,941,962)	(57,983)	(93,366,958)	(68,674,215)	(94,887)
Mark-up held in suspense	(9,449,032)	-	-	(116,033)	-	-
	(89,491,142)	(49,941,962)	(57,983)	(93,482,991)	(68,674,215)	(94,887)
	435,496,715	769,786,434	1,932,206	439,486,887	848,689,147	2,260,483
Provision for potential lease losses (9.2)	(11,633,378)	-	-	(878,049)	-	(878,049)
Net investment in finance leases	423,863,337	769,786,434	1,932,206	438,608,838	848,689,147	2,260,483
						1,289,558,468

Rupees

In certain leases, the Company has security, in addition to leased assets, in the form of mortgages / corporate / personal guarantees of associated companies / directors.

9.1 These represent interest free security deposits received against lease contracts and are refundable / adjustable at the expiry / termination of the respective leases. The amount is net of security deposit held against matured leases amounting to Rs. 95.525 million.

	Note	(Un-audited) 31 December 2015	(Audited) 30 June 2015
9.2. Provision for potential lease losses			
		(Rupees)	
Balance at beginning of the period / year		878,049	930,669
Provision / (reversal) for the period / year		<u>10,755,329</u>	<u>(52,620)</u>
Balance at end of the period / year		<u><u>11,633,378</u></u>	<u><u>878,049</u></u>
10. LONG TERM INVESTMENTS			
Government Securities			
Pakistan Investment Bonds		<u>27,215,270</u>	<u>24,744,411</u>
These Pakistan Investment Bonds have a cost of Rs.27.05 million (30 June 2015: Rs. 24.65 million) and will mature between 19 July 2017 to 25 March 2020.			
11. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets - own use	11.1	70,932,632	73,913,448
Operating fixed assets - Ijarah finance	11.2	<u>73,625,272</u>	<u>51,850,232</u>
		<u><u>144,557,904</u></u>	<u><u>125,763,680</u></u>
11.1 OPERATING FIXED ASSETS - Own Use			
Opening written down value		73,913,448	77,754,130
Additions during the period / year - at cost			
Office equipments		-	222,800
Computer equipment		275,885	1,106,862
Furnitures and fittings		-	15,300
		275,885	1,344,962
Written down value of disposals during the period / year		<u>(525,757)</u>	-
Depreciation for the period / year		<u>(2,730,944)</u>	<u>(5,185,644)</u>
		<u>(3,256,701)</u>	<u>(5,185,644)</u>
Closing written down value		<u><u>70,932,632</u></u>	<u><u>73,913,448</u></u>
11.2 OPERATING FIXED ASSETS - Ijarah Finance			
Opening written down value		51,850,232	23,222,142
Additions during the period / year - at cost			
Vehicles		-	1,867,500
Machinery		<u>34,454,962</u>	<u>37,344,000</u>
		<u>34,454,962</u>	<u>39,211,500</u>
Written down value of disposals during the period / year		-	-
Depreciation for the period / year		<u>(12,679,922)</u>	<u>(10,583,410)</u>
		<u>(12,679,922)</u>	<u>(10,583,410)</u>
Closing written down value		<u><u>73,625,272</u></u>	<u><u>51,850,232</u></u>

		Note	(Un-audited) 31 December 2015	(Audited) 30 June 2015
12.	CERTIFICATES OF INVESTMENT - UNSECURED			
			(Rupees)	
	Opening balance		156,466,231	137,107,176
	Certificates issued during the period / year	12.1	125,203,273	165,018,986
	Rolled over in the period / year		(52,207,710)	(110,779,993)
	Payments made during the period / year		(650,000)	(34,879,938)
	Closing balance		<u>228,811,794</u>	<u>156,466,231</u>
12.1	These represent certificates of investment issued by the Company with the permission of Securities and Exchange Commission of Pakistan. The term of these certificates ranges from 3 months to 12 months (30 June 2015: 3 months to 12 months) and carry mark-up at the of rate of 8% to 10.5% (30 June 2015: 8.5% to 11%) per annum.			
13.	SHORT TERM BORROWING - secured			
	The Company has arranged short-term running finance facility from various commercial bank amounting to Rs. 250 million (30 June 2015: Rs. 200 million). The facility carries mark-up at the rate ranging from 3 months KIBOR plus 1.5% to 3 months KIBOR plus 2.5% per annum. The facilities are secured by hypothecation charge over leased assets and assigned rentals.			
14.	ISSUED, SUBSCRIBED AND PAID-UP CAPITAL			
	31 December 2015	30 June 2015	(Un-audited) 31 December 2015	(Audited) 30 June 2015
	(Number of shares)		(Rupees)	
	10,000,000	10,000,000		
	2,369,800	2,369,800		
	13,000,000	13,000,000		
	<u>25,369,800</u>	<u>25,369,800</u>	<u>100,000,000</u>	<u>100,000,000</u>
			23,698,000	23,698,000
			<u>130,000,000</u>	<u>130,000,000</u>
			<u>253,698,000</u>	<u>253,698,000</u>
14.1	The Board of Directors of the Company in its meeting held on April 29, 2015 had recommended to issue 28.15496 % right shares at a discount of Rs. 3 per share in proportion of 2.815496 shares for every 10 share. The proposed right issue was subject to approval from shareholders and regulatory authorities. However, the Securities and Exchange Commission of Pakistan vide its letter dated November 30, 2015 has not acceded to the request of right issue of shares at discount. Accordingly, the recommendation could not be put into effect.			
15.	Contingencies & Commitments			
15.1	Contingency			
	The Alternate Corporate Tax charge for the Tax Year 2015 amounted to Rs. 9.233 million (Tax Year 2014: Rs. 8.100 million) which is Rs. 8.005 million (Tax Year 2014: Rs. 7.140 million) in excess of the minimum tax, payable at Rs. 1.228 million (Tax Year 2014: Rs. 0.96 million) under section 113 of the Income Tax Ordinance, 2001 (Ordinance). The Company has filed a Constitutional Petition against the levy and payment of Alternate Corporate Tax (ACT) in the Honourable Sindh High Court and on December 29, 2014 the Honourable Court has issued an order restraining the Federal Board of Revenue (FBR) from taking any coercive action against the Company. Accordingly, payment for only minimum tax has been made. The Company has a strong case and the management is confident that the decision will be in the Company's favor.			

15.2 Commitments

Leasing contracts committed but not executed at the balance sheet date amounted to Rs. 123.386 million (30 June 2015: Rs. 40.84 million).

There were no other contingencies and commitments as at December 31, 2015 and June 30, 2015.

16. INCOME FROM LEASING OPERATIONS	Half year ended 31 December (Un-audited)		Quarter ended 31 December (Un-audited)	
	2015	2014	2015	2014
	Rupees			
Finance income on lease contracts	46,304,415	52,872,068	18,162,789	25,881,972
Gain / (loss) on lease termination	(2,634,892)	311,010	(2,719,649)	119,705
Income from Ijarah operations	15,311,977	5,609,983	8,520,286	2,895,606
Other income leases	1,516,723	1,243,818	984,913	584,358
	<u>60,498,223</u>	<u>60,036,879</u>	<u>24,948,339</u>	<u>29,481,641</u>
17. ADMINISTRATIVE AND OPERATING EXPENSES				
Directors' fee	729,999	275,000	529,999	125,000
Salaries, allowances and benefits	10,005,014	8,944,592	5,011,955	4,518,801
Depreciation	15,410,866	7,174,628	8,120,742	3,795,758
Amortisation	74,901	74,901	37,450	37,450
Office utilities	773,204	705,016	377,193	350,115
Legal and professional	1,595,872	1,479,349	418,057	940,325
Auditor's remuneration	332,300	275,000	166,150	168,650
Postage, subscription, printing and stationary	965,392	783,946	267,592	434,270
Vehicle running and maintenance	562,228	717,813	425,963	380,062
Office repair and general maintenance	329,645	518,487	241,798	289,395
Workers' Welfare Fund	120,000	600,000	(130,000)	312,000
Insurance	444,747	428,798	149,942	98,879
Advertisement	140,115	90,550	100,065	46,550
Travelling and conveyance	215,971	128,550	86,670	82,860
Rent on Ijarah finance	217,768	-	163,327	-
Miscellaneous	436,748	588,295	280,633	466,580
	<u>32,354,770</u>	<u>22,784,925</u>	<u>16,247,536</u>	<u>12,046,695</u>

18.	FINANCE COST	Half year ended 31 December (Un-audited)		Quarter ended 31 December (Un-audited)	
		2015	2014	2015	2014
Rupees					
	Mark-up on:				
	- Short term Loan - related party	275,551	313,556	-	126,805
	- Running finance	5,999,376	4,121,917	2,542,296	1,381,928
	- Certificates of investment - unsecured	8,993,548	7,616,488	4,741,495	3,766,420
	Bank charges	37,397	17,679	25,597	17,679
	CIB reports charges	47,227	22,800	37,372	22,220
		<u>15,353,099</u>	<u>12,092,440</u>	<u>7,346,760</u>	<u>5,315,052</u>
			Note	(Un-audited) 31 December 2015	(Un-audited) 31 December 2014
19.	CASH AND CASH EQUIVALENTS	(Rupees)			
	Cash and bank balances	6	24,991,443	144,440,805	
	Short term borrowings	13	(43,984,127)	(146,101,893)	
			<u>(18,992,684)</u>	<u>(1,661,088)</u>	
20.	FAIR VALUE OF FINANCIAL INSTRUMENTS				

Fair value is the amount for which an asset could be exchanged, or liability settled, between knowledgeable willing parties in an arm's length transaction. Consequently, differences can arise between carrying values and fair value estimates.

Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

Financial assets which are traded in an open market are revalued at the market prices prevailing at the close of trading on the reporting date. The estimated fair value of all other financial assets and liabilities is not considered to be significantly different from book values as the items are either short-term in nature or periodically repriced.

International Financial Reporting Standard (IFRS) 13, "Fair Value Measurement" requires the Company to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices) (level 2); and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

Investments of the Company carried at fair value are categorised as follows:

----- As at 31 December 2015 -----			
Level 1	Level 2	Level 3	Total
----- Rupees -----			
3,433,932	-	-	3,433,932

Available-for-sale
National Investment
Trust units

----- As at 30 June 2015 -----			
Level 1	Level 2	Level 3	Total
----- Rupees -----			
3,461,625	-	-	3,461,625

Available-for-sale
National Investment
Trust units

21. TRANSACTIONS WITH RELATED PARTIES

The related parties and associated undertakings comprise associated companies, staff retirement funds, directors and key management personnel. Transactions with related parties and associated undertakings are as under:

	Half year ended	
	31 December (Un-audited)	
	2015	2014
	----- Rupees -----	
Profit on Certificates of Investments	8,622,114	7,133,113
Certificate of Investment issued / rolled over during the period to Director(s)	41,000,000	-
Certificate of Investment issued / rolled over during the period to Close relative(s) of Director(s)	58,703,273	25,207,710
Finance leases disbursed during the period to Director(s)	-	1,753,500
Rental received during the period against finance lease disbursed to associated undertaking(s)	953,952	540,054
Rental received during the period against finance lease disbursed to Director(s)	747,898	543,832
Short term loan from a related party obtained during the period	-	10,000,000
Short term loan from a related party repaid during the period	40,000,000	32,000,000
Financial charges on short term loan from a related party	275,551	313,557
Contribution during the period to Provident Fund	206,226	181,358
Directors' fee	729,999	275,000
Salary and allowances	2,735,850	2,236,680

	(Un-audited)	(Audited)
	31 December	30 June
	2015	2015
	----- Rupees -----	
Balances outstanding at the period / year end		
Certificates of Investments issued to Director(s)	<u>103,800,510</u>	<u>62,800,510</u>
Certificates of Investments issued to close relatives of Director(s)	<u>111,761,283</u>	<u>89,265,720</u>
Accrued mark-up on certificates of investment issued to Director(s)	<u>3,760,419</u>	<u>200,539</u>
Accrued mark-up on certificate of investment issued to close relatives of Director(s)	<u>5,081,160</u>	<u>3,564,513</u>
Closing balance of rentals receivable from an associated undertaking related to finance leases	<u>6,170,903</u>	<u>7,124,855</u>
Closing balance of rentals receivable from Director(s) related to finance lease	<u>6,437,085</u>	<u>7,184,983</u>
Closing balance of short term loan from a related party	<u>-</u>	<u>40,000,000</u>
Accrued mark-up on short term loan from a related party	<u>-</u>	<u>19,682</u>

22. DATE OF AUTHORIZATION FOR ISSUE








This condensed interim financial information was authorised for issue on 23 February 2016 by the Board of Directors of the Company.



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